

198A.715 Kentucky Housing Corporation to administer trust fund -- Uses of fund -- Organizations eligible for funding -- Annual report.

- (1) The administering agency for the trust fund shall be the Kentucky Housing Corporation, which shall use moneys from the trust fund to make, or participate in the making, of loans or grants for the eligible activities described in this section. Loans or grants shall be made upon the determination by the corporation that the loan or grant shall be used to create new sources of funding, or to supplement existing sources of funding for eligible activities, and shall not be used to replace existing or available funds.
- (2) Activities eligible for funding shall include:
 - (a) Provision of matching funds for federal housing dollars requiring a local or state match including, but not limited to, the National Affordable Housing Act of 1990;
 - (b) Acquisition of housing units for the purpose of preservation or conversion as very low-income housing;
 - (c) New construction or rehabilitation of very low income housing units;
 - (d) Matching funds for technical assistance directly related to providing housing for persons pursuant to KRS 198A.700 to 198A.730; and
 - (e) Administrative costs for housing assistance programs or organizations eligible for funding pursuant to subsection (3) of this section, if the grants or loans will substantially increase the recipient's access to housing funds other than those available under KRS 198A.700 to 198A.730.
- (3) Organizations eligible for funding from the trust fund include:
 - (a) Local governments;
 - (b) Local government housing authorities;
 - (c) Nonprofit organizations;
 - (d) Regional or statewide housing assistance organizations; and
 - (e) Sponsors who work in connection with rental housing developments that receive low-income tax credits under Section 42 of the Internal Revenue Code of 1986, as amended. Sponsors, as set out in this paragraph, shall only be eligible if the corporation determines a nonprofit organization owns at least a fifty-one percent (51%) interest in the sponsor and materially participates in the development and operation of the rental housing.
- (4) Housing units provided to very low-income persons or families pursuant to KRS 198A.700 to 198A.730, shall be deed-restricted under the following conditions:
 - (a) Rental housing shall be deed-restricted for a minimum of thirty (30) years. Amendments may be granted by the corporation on a case-by-case basis. Investment from the trust fund into a specific housing type shall revert to like housing for very low-income persons.
 - (b) Single-family units or units for sale shall be deed restricted for a minimum of five (5) years. Amendments may be granted by the corporation on a case-by-case basis.

- (5) In the development of housing pursuant to KRS 198A.700 to 198A.730, displacement of very low-income persons shall not be permitted unless the project shall pay all reasonable relocation costs as defined by the corporation.
- (6) There shall not be discrimination in the sale or rental, or otherwise making available or denying, a dwelling funded under KRS 198A.700 to 198A.730 to any buyer or renter because of race, religion, sex, familial status, disability, or national origin.
- (7) In the event that the corporation chooses to use trust fund dollars with or as a match to the Federal Home Investment Partnership Program or other federal programs, the strictest affordability requirements shall apply.
- (8) Trust fund dollars shall be contributed permanently to a project, except when serving as a match for federal housing programs that require all funds to be contributed permanently to the federal program. All repayment, interest, or other return on the investment of trust fund dollars are required to be returned to the trust fund and used for eligible trust fund activities in accordance with the requirements of KRS 198A.700 to 198A.730. Trust fund dollars invested in a project with federal dollars requiring a permanent contribution shall be recaptured to the federal program account.
- (9) On or before October 1 of each fiscal year, the Kentucky Housing Corporation shall submit a report to the Legislative Research Commission on the disposition of the affordable housing trust fund moneys for the previous fiscal year.

Effective: June 25, 2013

History: Amended 2013 Ky. Acts ch. 12, sec. 1, effective June 25, 2013. -- Amended 2000 Ky. Acts ch. 469, sec. 2, effective July 14, 2000. -- Amended 1994 Ky. Acts ch. 206, sec. 2, effective July 15, 1994; and ch. 405, sec. 48, effective July 15, 1994. Created 1992 Ky. Acts ch. 458, sec. 4, effective July 14, 1992.